

1 April 2016

Elk raises \$1 million in private placement

- Elk completes private placement of \$1 million to a new sophisticated private investor
- Funds to be used to fund initial development activities associated with the Grieve Project
- Placement executed in advance of completing closing of joint venture restructure and closing definitive financing for funding US\$55 million to complete Grieve Project

Elk Petroleum Ltd (ASX: ELK) (“Elk” or the “Company”) is pleased to advise it has completed a private placement (“Placement”) to raise a total of \$1.0 million, providing Elk with additional capital to fund initial development activities associated with the Grieve Enhanced Oil Recovery (EOR) Project and the restructuring of the Grieve Joint Venture as outlined in the ASX announcements of 21 December 2015 and 24 February 2016.

The Placement was made to a sophisticated investor new to the Elk register. Under the placement, Elk will issue approximately 13.3 million shares priced at \$0.075 per share, representing a discount of approximately 2.6% to the Company’s last traded share price. In addition in connection with the placement, the Company has also granted to the investor an option to subscribe for a further 1,333,333 shares in the Company at an exercise price of \$0.075 on or before 31 March 2018. The placement falls within Elk’s existing placement capacity.

The placement was undertaken to provide initial funding of capital costs associated with the Grieve Project JV restructuring. As previously announced the Company has entered into a letter of intent to provide the US\$55 million to fund the final 30% of capital expenditure to complete the Grieve CO2 EOR Project in return for earning an effective 60% economic interest in the project. These arrangement are subject to the Company agreeing definitive documentation for the Grieve Project JV restructure and securing necessary financing.

The Company has undertaken the placement in order to commence funding capital expenditures associated with the Grieve JV restructure in order to maintain the Grieve Project development schedule on the basis that agreement of the definitive agreements for the joint venture restructure and securing the necessary financing is nearing completion.

Miro Advisors assisted the Company in identifying the new equity investor as part of the overall mandate in advising and assisting Elk with the restructuring of the Grieve Project JV and the associated financing. The Company was also further supported by Taylor Collison who had also secured further support for the placement from existing and prospective new investors in

their capacity as Lead Manager for the share placement completed by the Company on 6 January 2016.

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ABOUT ELK PETROLEUM

Elk Petroleum Limited (ASX: ELK) is an oil and gas company specialising in Enhanced Oil Recovery (EOR), with assets located in one of the richest onshore oil regions of the USA, the Rocky Mountains. Listed on the ASX in 2005, Elk's strategy is focused on applying proven EOR technologies to mature oil fields, which significantly de-risks the Company's strategy of finding and exploiting oil field reserves. Leveraging proven EOR technology and Company expertise and experience, Elk is currently developing the Grieve oil field in Wyoming (Elk – 35% WI) and is planning for a CO₂-based EOR project at the Singleton oil field in Nebraska (Elk – 100% WI & operator).

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